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HOUSE BILL 2405

By Buttry

AN ACT to amend Tennessee Code Annotated, Title 43; Title 47; Title 68 and Title 71, relative to a long-term care trust fund.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. (a) Subject to appropriation in the annual general appropriations act, from any funds received by the state from the master settlement agreement, and related documents, entered into in the fall of 1998 by the state and leading United States tobacco product manufacturers, in fiscal year 2000-2001, twenty-five percent (25%) of such funds and for each subsequent fiscal year, twenty percent (20%) of such funds shall be allocated for a long-term care trust fund as provided in this act.

(b) There is hereby created a long-term care trust fund as an account in the state treasury. Moneys from the fund may be expended to fund activities authorized by this act. Any revenues deposited in this fund shall remain in the fund until expended for purposes consistent with this act, and shall not revert to the general fund on any June 30. Any excess revenues on interest earned by such revenues shall not revert on any June 30, but shall remain available for appropriation in subsequent fiscal years. Any appropriation from such account shall not revert

to the general fund on any June 30, but shall remain available for expenditure in subsequent fiscal years. The fund shall be administratively attached to the department of health.

(c) Beginning on January 1, 2002, and for the first five (5) fiscal years of the program from that date, fifteen million dollars [\$15,000,000] of the settlement funds shall be expended from the trust fund for long-term care services under this act. The balance of settlement funds shall remain invested in the long-term care trust fund. Beginning in the sixth fiscal year of the program, expenditures from the trust fund shall be made only with interest earnings from the fund and trust fund principal may not be expended for long-term care services.

SECTION 2. (a) The long-term care trust fund shall fund long-term care services and home-based and community-based services, as such term is defined in Tennessee Code Annotated, Section 71-5-103, through a grant program administered by the department of health.

(b) Local organizations shall apply to the department for funding for services to eligible participants as determined by rule or statute. The commissioner shall establish fee-for-service reimbursement rates by rule.

SECTION 3. (a) There is hereby established a long-term care services and trust fund advisory commission. The commission shall study, review and make recommendations concerning the implementation of the long-term care program. The commission shall consist of twelve (12) members. Six (6) members shall be appointed by the governor including three (3) members from the executive branch of state government and three (3) members who are long-term care advocates. Six (6) members who are members of the general assembly including three (3) members each from the house of representatives and the senate appointed by the respective speakers with the house of representatives and the senate each having one (1) representative from each grand division.

(b) The commission shall hold public meetings throughout the year 2001 to establish the specific components of the long-term care program before programs are funded beginning in January 2002. Such components shall be established by statute or rule.

SECTION 4. The commissioner of health is authorized to promulgate rules and regulations to effectuate the purposes of this act. All such rules and regulations shall be promulgated in accordance with the provisions of Tennessee Code Annotated, Title 4, Chapter 5.

SECTION 5. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 6. This act shall take effect July 1, 2000, the public welfare requiring it.